



U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL

Review of Hotline Complaint Concerning the Region 4 Environmental Justice Small Grants Selection Process

Report No. 13-P-0299

June 21, 2013



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Abbreviations

EJ	Environmental Justice
EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
OEJ	Office of Environmental Justice
OIG	Office of Inspector General

Cover photo: The hydroponic garden at the Miami Science Museum. The museum received an FY 2012 Environmental Justice Small Grant for a gardening project that promotes environmental justice and encourages healthy, environmentally friendly alternatives to industrially produced agriculture. (EPA OIG photo)

Hotline

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Washington, DC 20460



At a Glance

Why We Did This Review

The U.S. Environmental Protection Agency, Office of Inspector General, received an anonymous hotline complaint concerning the review and selection process for the EPA Region 4 environmental justice grants. The goal of the EPA's Environmental Justice Small Grants Program is to help communities build joint partnerships to address environmental and public health issues. The complaint questioned whether certain applicants received preference and were preselected for grants. The complaint also questioned whether Region 4 management targeted a select audience. The purpose of this review was to determine whether the Region 4 Office of Environmental Justice followed policies and procedures when selecting EJ Small Grants recipients for fiscal years 2010, 2011 and 2012.

This report addresses the following EPA Goal or Cross-Cutting Strategy:

- *Working for environmental justice and children's health.*

For further information, contact our Office of Congressional and Public Affairs at (202) 566-2391.

The full report is at:
www.epa.gov/oig/reports/2013/20130621-13-P-0299.pdf

Review of Hotline Complaint Concerning the Region 4 Environmental Justice Small Grants Selection Process

What We Found

Our review of the EPA's Region 4 Office of Environmental Justice found that management had controls in place to protect against bias, fraud, and preselection of EJ Small Grants recipients during FYs 2010, 2011 and 2012. We found that the Region 4 OEJ followed EJ Small Grants policies and procedures when selecting EJ Small Grants recipients, with the exception of one requirement. We found that the Region 4 OEJ did not ensure all review panelists are "knowledgeable about environmental justice prior to serving," a requirement of the EPA Order 5700.5A1, but adhered to the other policies and procedures during the period we reviewed.

During interviews with a sample of review panelists, we found no evidence that EJ Small Grants applicants received preference or were preselected for awards from FY 2010 through FY 2012. Additionally, during interviews with a sample of review panelists, we found no evidence that Region 4 OEJ leadership supported or targeted a select audience for grants.

Some review panelists we interviewed suggested that additional training on objectivity and understanding the ranking criteria would be helpful. We also found that review panelists were not informed of the final selection of EJ Small Grants recipients. Additionally, review panelists were not offered a debriefing meeting to provide suggestions on the process. Inadequate review panelist training and a lack of follow-up and communication on the final selection of grant recipients may have contributed to perceptions that the EJ Small Grants review and selection processes were improperly executed.

Recommendations and Planned Agency Corrective Actions

We recommend that the Region 4 OEJ director provide adequate training to ensure that review panelists are knowledgeable about environmental justice prior to serving on EJ Small Grants consensus review panels. We also recommend additional training on objectivity and the definition of each ranking criterion. Further, we recommend that the Region 4 OEJ obtain feedback from review panelists, as well as notify panelists when recipients are selected for awards.

Region 4 OEJ agreed with all four recommendations and provided corrective actions with estimated dates of completion. We believe that three of the proposed corrective actions address our recommendations. We consider three of the four recommendations resolved and open pending completion of corrective actions. The remaining recommendation is unresolved pending receipt of a revised corrective action and estimated date of completion.




UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

THE INSPECTOR GENERAL

June 21, 2013

MEMORANDUM

SUBJECT: Review of Hotline Complaint Concerning the Region 4
Environmental Justice Small Grants Selection Process
Report No. 13-P-0299

FROM: Arthur A. Elkins Jr. 

TO: A. Stanley Meiburg, Acting Regional Administrator
Region 4

Denise Tennessee, Acting Director
Region 4 Office of Environmental Justice

This is our report on the subject evaluation conducted by the Office of Inspector General of the U.S. Environmental Protection Agency. This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. This report represents the opinion of the OIG and does not necessarily represent the final EPA position. The agency agreed with all four recommendations and provided corrective actions with estimated dates of completion. We believe that three of the four proposed corrective actions address our recommendations. We consider three of the four recommendations resolved and open pending completion of the corrective actions. The remaining recommendation is unresolved pending receipt of a revised corrective action and estimated date of completion.

Action Required

In accordance with EPA Manual 2750, you are required to provide a written response to this report within 60 calendar days. Please provide a revised corrective action and estimated date of completion for the one unresolved recommendation. Your response will be posted on the OIG's public website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public. If your response contains such data, you should identify the data for redaction or removal along with corresponding justification. We have no objections to the further release of this report to the public. We will post this report to our website at <http://www.epa.gov/oig>.

If you or your staff have any questions regarding this report, please contact the Assistant Inspector General for Program Evaluation Carolyn Copper at (202) 566-0829 or copper.carolyn@epa.gov; or the Acting Director for Toxics, Chemical Management, and Pollution Prevention Jerri Dorsey at (919) 541-3601 or dorsey.jerri@epa.gov.

Table of Contents

Purpose	1
Background	1
<i>Environmental Justice Small Grants</i>	1
<i>EPA Grants Competition Policy</i>	2
<i>Grants Selection Processes</i>	2
Scope and Methodology	2
Results of Review	3
<i>Hotline Finding</i>	3
<i>Review Panelist Training and Follow-Up</i>	4
Conclusions	5
Recommendations	5
Agency Response and OIG Evaluation	6
Status of Recommendations and Potential Monetary Benefits	7

Appendices

A Agency Response to Draft Report	8
B Distribution	11

Purpose

The U.S. Environmental Protection Agency Office of Inspector General hotline received an anonymous complaint letter about the EPA Region 4¹ environmental justice grants selection process. The complaint questioned whether certain applicants received preference or were preselected for awards. The complaint also questioned whether the Region 4 Office of Environmental Justice targeted a select audience. Our objective was to determine whether the Region 4 OEJ followed policies and procedures when selecting EJ Small Grants recipients for fiscal years 2010, 2011 and 2012.

Background

Executive Order 12898, issued in 1994, directs federal agencies to include environmental justice as part of their mission. Agencies should identify and address disproportionately high and adverse human health or environmental effects of its programs, policies and activities on minority and low-income populations. The EPA and other agencies are required to develop an agency-wide environmental justice strategy.

The EPA developed Plan EJ 2014 to include environmental justice in its programs, policies and activities. The strategic document describes the “Grants and Technical Assistance Goal” as a way to deliver financial and technical assistance to communities. Grants are used to empower communities to improve their health and environment. The plan named Region 4 as one of the lead regions to support environmental justice community-based programs for local and tribal organizations.

Environmental Justice Small Grants

The OEJ at EPA headquarters offers grants and cooperative agreements to fund community-level environmental justice activities. Since 1994, the EJ Small Grants Program has awarded \$23 million to 1,253 community-based organizations. The goal of the EJ Small Grants Program is to help communities build joint partnerships to address environmental and public health issues. EJ Small Grants are awarded on a competitive basis. According to the EJ Small Grants Program, a successful project should include a well-designed strategic plan that addresses local environmental and public health issues.

The Region 4 OEJ manages regional EJ Small Grants and is responsible for integrating environmental justice into its regional, local, state, and other federal government programs, policies, and procedures.

¹ EPA Region 4 includes the following states: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.

EPA Grants Competition Policy

The EPA Order 5700.5A1, *Policy for Competition of Assistance Agreements*,² provides the agency with policy and requirements for grant competition. The competition policy states that EPA grants should be awarded using an objective and unbiased process. Grant competitions must be in line with U.S. Office of Management and Budget guidance, and grant announcements should be made available to the public on agency websites and on the federal grant solicitation website.

The competition policy also sets requirements for grant competition announcements. The announcements should include funding opportunity, eligibility and submission information. The policy states that applications must be objectively and fairly evaluated by review panelists that do not have a conflict of interest with respect to the application or applicant. The policy also states that review panelists should be knowledgeable in the field of endeavor for which awards are being competed.

Grants Selection Processes

The EPA Order 5700.5A1 states that program offices may create a consensus review panel (consensus panel) to review and evaluate grant applications. Consensus panels are comprised of grant review panelists. Before a consensus panel, review panelists must independently review applications. According to the EPA headquarters' *OEJ Memorandum of Instructions for EJ Small Grant Competitions*, a subset of agency grant policy instructions, review panelists meet during a consensus panel to discuss individual application scores. The reviewers must reach a consensus on all scores. The grants competition policy states that program offices should provide guidance and training to review panelists. Program offices should supply a copy of the competition announcement, a summary of the evaluation and award selection process, eligibility criteria,³ and scoring guidelines. The competition policy also says review panelists must provide explanations for the scores and ratings.

Scope and Methodology

We conducted our work from July 2012 through April 2013 in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. These standards require that we plan and perform the review to obtain sufficient and appropriate evidence. This evidence is to provide a reasonable basis for our findings and conclusions based on our review

² Assistance agreements include both grants and cooperative agreements. Grants do not have EPA staff involved with projects. Cooperative agreements usually have an EPA project officer as part of the agreement's activities.

³ EJ Small Grants applicants have to pass two criteria. First, threshold eligibility criteria determine whether applicants may be ineligible due to any legal, policy, administrative, and/or financial restriction. Second, the ranking criteria include items such as the project's budget, description and performance measures.

objectives. We believe the evidence we obtained provides a reasonable basis for our findings and conclusions based on our review objectives.

In addition to reviewing the EPA Order 5700.5A1, we also reviewed the following:

- Panelist training documents published by the EPA's Office of Grants and Debarment.
- Region 4's FY 2010 through FY 2012 EJ Small Grants documents.
- The grant competition announcement and eligibility criteria.
- Region 4's request for volunteer review panelist documents.
- EJ Small Grants review panelist training instructions and documents from the OEJ at EPA headquarters and the OEJ in Region 4.
- Review panelists' signed conflict-of-interest forms.
- Ranking and scoring documents from each year.

We interviewed officials from the OEJ at EPA headquarters and in Region 4 to determine whether procedures and management controls were in place to guard against the preference or preselection of EJ Small Grants applications. We also interviewed a sample of FY 2010 through FY 2012 EJ Small Grants review panelists. We randomly selected seven review panelists to interview. The review panelists we interviewed served at least once during the FY 2010 through FY 2012 EJ Small Grants process. We interviewed these review panelists to determine whether there was any perception of preferences or preselection of grantees during the consensus panels or by the Region 4 OEJ.

Results of Review

With the exception of ensuring all review panelists are knowledgeable about environmental justice prior to serving, the Region 4 OEJ followed EJ Small Grants policies and procedures during the period we reviewed. The Region 4 OEJ had management controls in place to protect against bias, fraud, or preferential selection of EJ Small Grants recipients. However, during interviews with review panelists, we found further training was necessary. Additionally, review panelists did not receive follow-up information about the applications selected to receive grants. Inadequate review panelist training and lack of follow-up may have contributed to an impression that there was preferential or preselection of EJ Small Grants recipients in Region 4.

Hotline Finding

According to the EPA Order 5700.5A1, review panelists should be "knowledgeable in the field of endeavor for which awards are being competed." The Region 4 OEJ did not meet this aspect of the order. The Region 4 OEJ sent a request throughout the region for volunteer review panelists from various EPA program offices. During interviews with our sample of EJ Small Grants review panelists, we found that some review panelists were not knowledgeable about

environmental justice issues or concerns prior to serving as review panelists. The Region 4 OEJ stated there was preference to select volunteer review panelists familiar with EJ issues and the EPA statutes, but the volunteers were not required to have prior EJ knowledge.

With the exception of ensuring that all review panelists were knowledgeable about environmental justice, we found that the Region 4 OEJ followed policies and procedures when selecting FY 2010 through FY 2012 EJ Small Grants recipients. We found that there was a separation of duties when determining an applicant's eligibility. For instance, the headquarters OEJ first determined whether applications passed the threshold eligibility, then Region 4 review panelists scored applicants based on the EJ Small Grants ranking criteria.

In accordance with the EPA Order 5700.5A1, each review panelist signed a conflict-of-interest statement during FY 2010 through FY 2012. The EPA's headquarters OEJ and the Region 4 OEJ provided training on basic environmental justice information, objectivity, ranking criteria, and guidance on how to rank and score applications based on ranking criteria. According to Region 4 EJ Small Grants ranking and scoring documents, review panelists first individually scored grant applications based on ranking criteria. Review panelists discussed applicant qualifications in order to reach consensus agreement on scores.⁴ Applications were ranked by regional staff. Applications were then sent to the EPA's headquarters OEJ, which made the final selection of EJ Small Grants recipients.

During interviews with our sample of EJ Small Grants review panelists, no one reported any perceived evidence of applicants receiving preference or being preselected for awards. Additionally, no one believed the Region 4 OEJ leadership supported or targeted a select audience for grants.

Review Panelist Training and Follow-Up

During our review, we noted that additional training and follow-up communication could improve the Region 4 EJ Small Grants review and selection process. First, some of our sample review panelists reported additional training on objectivity should be provided. Some review panelists noted that the additional training on objectivity would reduce personal biases and should be reinforced at the beginning of consensus meetings.

Our interviews with review panelists revealed that both new and repeat volunteers stated that additional training on the meaning of each ranking criterion would also be helpful. As stated earlier, consensus panels were used to discuss an application's strengths and weaknesses based on ranking criteria. Some review panelists who were interviewed said additional training would help new review panelists understand the meaning of each criterion. Review panelists stated that a

⁴ Only applications with a large variability in scores among the review panelists were discussed during consensus review panels.

better understanding of the criterion would reduce differences in individual scores.

Second, the Region 4 OEJ did not offer a debriefing meeting to review panelists after the completion of the consensus panels. The Region 4 OEJ acknowledged accepting feedback from review panelists, but the feedback did not occur in a formal manner. Additionally, even after EJ Small Grants recipients were announced by the headquarters OEJ, Region 4 review panelists were not notified which applicants received awards.

Conclusions

The Region 4 OEJ had management controls in place to protect against bias, fraud, and the preselection of grant recipients for FY 2010 through FY 2012 EJ Small Grants. However, Region 4 did not ensure that review panelists were knowledgeable about environmental justice issues prior to reviewing applications. Based on interviews with a sample of review panelists, we found some were inadequately trained on ranking criteria and objectivity. Additionally, review panelists were not notified which applicants were chosen to receive grants. Each of these factors may have contributed to perceptions of preferences or the preselection of EJ Small Grants recipients.

The Region 4 OEJ said changes will be made to the upcoming FY 2013 EJ Small Grants review and selection process. Officials plan to ensure that review panelists are knowledgeable about environmental justice prior to serving on a review panel and that additional training on objectivity is provided. The Region 4 OEJ also said it will request feedback from review panelists and notify panelists which applicants were selected for awards once the headquarters OEJ announces grant recipients.

Recommendations

We recommend that the director of the Region 4 Office of Environmental Justice update existing procedures to:

1. Provide adequate training to ensure volunteer review panelists are knowledgeable about environmental justice prior to serving as EJ Small Grants review panelists.
2. Provide additional training on objectivity and the meaning of each environmental justice grant criterion.
3. Obtain feedback from review panelists on ways to improve the grant review and selection process, including the consensus panels.
4. Notify review panelists when EJ Small Grants applicants are selected for an award.

Agency Response and OIG Evaluation

In its response to the draft report, the EPA agreed to all four recommendations and provided corrective actions with estimated dates of completion. We believe that recommendations 1, 3 and 4 are addressed by the proposed corrective actions. We require a revised corrective action and estimated date of completion for recommendation number 2. The OIG requires additional information pertaining to how objectivity and scoring criteria will be addressed in their training.

We consider recommendation numbers 1, 3 and 4 resolved and open pending the completion of corrective actions. Recommendation number 2 is unresolved pending receipt of an agreed-upon corrective action and estimated date of completion. The agency's complete response is in appendix A.

Status of Recommendations and Potential Monetary Benefits

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in \$000s)	
Rec. No.	Page No.	Subject	Status ¹	Action Official	Planned Completion Date	Claimed Amount	Agreed-To Amount
1	5	Provide adequate training to ensure volunteer review panelists are knowledgeable about environmental justice prior to serving as EJ Small Grants review panelists.		Director, Region 4 Office of Environmental Justice	O		
2	5	Provide additional training on objectivity and the meaning of each environmental justice grant criterion.		Director, Region 4 Office of Environmental Justice	U		
3	5	Obtain feedback from review panelists on ways to improve the grant review and selection process, including the consensus panels.		Director, Region 4 Office of Environmental Justice	O		
4	5	Notify review panelists when EJ Small Grants applicants are selected for an award.		Director, Region 4 Office of Environmental Justice	O		

¹ O = Recommendation is open with agreed-to corrective actions pending.
 C = Recommendation is closed with all agreed-to actions completed.
 U = Recommendation is unresolved with resolution efforts in progress.

Agency Response to Draft Report

May 17, 2013

SUBJECT: Draft Report: Review of Hotline Complaint Concerning the
Region 4 Environmental Justice Small Grants Selection
Process, Project No. OPE-FY12-0017

FROM: Gwendolyn Keyes Fleming
Regional Administrator

Denise Tennessee, Acting Director
Office of Environmental Justice

TO: Carolyn Copper
Assistant Inspector General for Program Evaluation

This response will address the factual accuracy of the Draft Report, dated April 18, 2013, and provide comments on the findings and recommendations. We appreciate the comprehensive review of the Environmental Justice Small Grants Program (EJSG) because it provided an objective assessment of how the program is being implemented by the Region 4 Office of Environmental Justice (OEJ). Based on the interviews your team conducted and their research, the report is factually accurate and I concur with the findings and recommendations.

The report noted that some review panelists were not knowledgeable about environmental justice (EJ), and they wanted more in-depth training on ranking criteria and maintaining objectivity during the review. Historically, review panelists were selected because they had an interest in environmental justice; were aware of and worked on EJ projects and were knowledgeable about the environmental statutes. Many, but not all, of them had previously taken the Fundamentals of Environmental Justice Training (a 2-day course). As you noted, the EPA headquarters and Region 4 OEJ provided training on EJ and information on evaluating and scoring the applications, via teleconference prior to the review period.

In response to Recommendation 1 and in order to address your findings and increase the reviewers' knowledge, the Region 4 OEJ will require all EJSG reviewers to have completed the Fundamentals of Environmental Justice course. This 2-day training requirement will be added to the Region 4 EJSG Standard Operating Procedure Handbook (SOP). To comply with Recommendation 2, Region 4 OEJ will communicate to the Headquarters OEJ that we want a more robust discussion about: 1) ranking and scoring criteria and 2) reviewer objectivity to reduce personal bias. These topics will need to be more adequately addressed

in their training and Region 4 will continue to reinforce this message with the reviewers before and during the consensus review process.

The report also noted that the regional review panelists were not provided a formal opportunity to give their feedback and provide comments to improve the EJSJG Program. In response to Recommendation 3, Headquarters OEJ is currently addressing this issue nationally and we are collaborating with them. They are hosting a teleconference on Jun 14, 2013, Reviewer Roundup, to allow all regional review panelists and EJ offices to provide input on the EJSJG Program. Region 4 OEJ has extended the invitation to all of our review panelists and has encouraged them to participate and provide feedback. Recommendations from the Reviewer Roundup will be incorporated into the Region 4 EJSJG SOP.

The final recommendation is to notify the review panelists about the applications selected for award. Historically, we have posted an announcement on the Region 4 website congratulating the successful applicants that included a summary of projects' objectives, and it was also announced to the EJ Council. To comply with Recommendation 4, beginning with the FY2013 awards, the review panelists will receive a link to the website to notify them of the awardees. This notification process will be added to the EJSJG SOP.

This summarizes our response to the comments and recommendations. If you have any additional questions or concerns, please contact Denise Tennessee or my staff at (404) 562-8460.

Number	Recommendation	High-Level Intended Corrective Actions	Estimated Completion by Quarter and FY
1	Provide adequate training to assure volunteer review panelists are knowledgeable about environmental justice prior to serving as EJ Small Grants review panelists.	Region 4 OEJ will require all EJSJG reviewers to have completed the Fundamentals of Environmental Justice course. This 2-day training requirement will be added to the Region 4 EJSJG Standard Operating Procedure Handbook (SOP).	Q3/FY 2013
2	Provide additional training on objectivity and the meaning of each Environmental Justice Small Grant criterion	Region 4 OEJ will communicate to the Headquarters OEJ that we want a more robust discussion about: 1) ranking and scoring criteria and 2) reviewer objectivity to reduce personal bias. These topics will need to be more adequately addressed in their training and Region 4 will continue to reinforce this message with the reviewers before and during the consensus review process. The need for this discussion will be added as a topic in the EJSJG SOP.	Q4/FY 2013
3	Obtain feedback from review panelists on ways to improve the grant review and selection process, including the consensus panels.	Recommendations from the Headquarters' Reviewer Roundup meeting will be incorporated into the Region 4 EJSJG SOP.	Q3/FY 2013
4	Notify review panelists when EJ Small Grants applicants are selected for an award.	Beginning with the FY2013 awards, the review panelists will receive a link to the website to notify them of the awardees. This notification process will be added to the EJSJG SOP.	Q4/FY 2013

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